

# **EXHIBIT 1**

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August 19, 2024

Gregory E. Garman, Esq.  
ggarman@brg.legal

**VIA EMAIL:**

Cash Cloud, Inc. (DBA Coin Cloud)  
c/o Brett A. Axelrod  
Fox Rothschild LLP  
One Summerlin  
1980 Festival Plaza Dr., Suite 700  
Las Vegas, NV 89135

c/o Michael Tucker  
FTI Consulting  
4835 East Cactus Road  
Suite 230  
Scottsdale, AZ 85254

Re: Engagement for the recovery of preference actions

Dear Michael,

Thank you for selecting Bankruptcy Recovery Group LLC (“we,” “us,” “our,” “BRG”, or the “Firm”) to provide legal services regarding the Matter described below. The terms in this letter (“Engagement Letter”) together with the Standard Terms of Representation attached hereto as **Exhibit “A”** will describe the basis on which the Firm will provide the legal services. As we have discussed, the Firm’s client in this Matter will be the estate of Cash Cloud, Inc. (DBA Coin Cloud) (“you,” “your,” or the “Client”).

Subject to the approval of the Firm’s engagement on the Matter and the receipt of any retainer (*no retainer is required for this engagement*), the Firm will be engaged to advise, prosecute and settle recovery/avoidance actions under 11 U.S.C. 547 of the United States Code (“Bankruptcy Code”) in the bankruptcy estate of Cash Cloud, Inc. (DBA Coin Cloud), Case No. Bk- 23-10423 (the “Matter”).

You have agreed that our representation of You in this Matter does not give rise to a lawyer-client relationship between the Firm and any of the Client’s affiliates or any other matters to which Client is a Party (other than those governed by separate engagement agreements); the representation being provided pursuant to this Engagement Letter is solely for you and we assume and will rely upon the assumption that all affiliates or other persons or entities will seek their own legal representation with regard to the Matter. Accordingly, representation of the Client in this Matter will not give rise to any conflict of interest in the event other clients of the Firm are adverse to any of the Client’s affiliates or to any other matter to which Client is a Party.

Our fee is based on a contingency fee and shall be applied to the gross collections we recover from a recovery target in cash and claim waiver value (only to the extent the waiver of such claim accrues to your benefit and increases your recovery) before the deduction of any reimbursable expenses. Claim waiver is defined as the waiver of a creditor to file a claim for the settlement amount and/or the waiver of any other filed and allowed claim as part of the negotiated settlement. For purposes of this engagement, Claim waiver value is determined by the net increase of any distribution to estate creditors on account of their various claims. We acknowledge that any payment to BRG from the bankruptcy estate may be subject to and contingent upon Bankruptcy Court approval after notice and hearing pursuant to 11 U.S.C. § 330 and FRBP 2016.

Pre-Suit: We shall earn legal fees on a contingency basis of **18.5%** of the cash value of any recoveries and the cash equivalent value of any claim waiver obtained from a potential defendant (only to the extent the waiver of such claim accrues to your benefit and increases your recovery) after we issue a demand but prior to initiating an action proceeding against such defendant.

Post Suit. We shall earn legal fees on a contingency basis of **25%** of the cash value of any recoveries and the cash equivalent value of any claim waiver obtained in connection with the settlement (only to the extent the waiver of such claim accrues to your benefit and increases your recovery) of any action after we initiate an action but prior to obtaining a judgment in connection therewith.

Post Judgment: We shall earn legal fees on a contingency basis of **30%** of the cash value of any recoveries and the cash equivalent value of any claim waiver obtained (only to the extent the waiver of such claim accrues to your benefit and increases your recovery) from a defendant after we obtain a judgment against such defendant.

We will advance initial fees and expenses and seek reimbursement only from collections. Upon successful recovery, we will mutually agree upon the size of a retainer from which to pay for the out-of-pocket expenses for future cases in this Matter. Further, if for some unforeseen reason, there is insufficient cash recovery to cover the out-of-pocket expenses, we will not seek reimbursement of any deficiency. Reasonable out of pocket expense items include but are not limited to reasonable expenses related to the importation of data, including the hiring of computer consultants to assist in the extraction of data, shipping costs of records, adversary, appellate, and other court filing fees, reasonable costs of pleading filing services; mediation fees, deposition expenses, cost to domesticate and collect out of state judgments, service of process (for writs, etc.) and travel expenses. For the avoidance of doubt, we will not charge for in-house scanning and copies.

However, we are not responsible for any expert witness fees and expenses or local counsel if they become necessary. We will work cooperatively with other retained professionals in these cases to avoid duplicative and/or competing efforts and will defer to you with respect to the decision(s) as to the hiring of experts. Retained experts (if necessary) to prove insolvency and/or to rebut objective defense industry experts are to be separately employed and are not considered part of this proposal.

Additionally, for the avoidance of doubt, while we will provide guidance and recommendations, you shall retain full settlement authority. Additionally, we shall confer with, and seek approval from you before commencing any action.

Additional information regarding fees and other important matters appear in the attached Standard Terms of Representation, which is incorporated as part of this Engagement Letter and which you should review carefully before agreeing to our engagement on the Matter. This Engagement Letter is a binding legal document with significant consequences. You are encouraged to have it reviewed by other counsel of the Client's choice prior to execution by the Client. Please indicate your acceptance of the terms of this representation letter and the Standard Terms of Representation by signing and returning a copy of this Engagement Letter to me. Please call me if you have any questions. We look forward to working with you.

Sincerely,

BANKRUPTCY RECOVERY GROUP, LLC



A handwritten signature in blue ink, appearing to read 'Gregory E. Garman', is written over the printed name.

GREGORY E. GARMAN, ESQ.

AGREED TO AND ACCEPTED:

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## **Exhibit "A"**

### **STANDARD TERMS OF REPRESENTATION**

This document sets forth the standard terms of our engagement as your lawyers. Except where expressly stated below, unless modified by a writing that expressly refers hereto signed by a shareholder of the Firm<sup>1</sup> or other person authorized by the Firm's executive committee, these terms will be an integral part of our agreement with you. Therefore, we ask that you review this document carefully and contact us promptly if you have any questions. You should retain this document in your file.

#### **The Scope of Our Work**

The legal services that the Firm will provide to you are described in our Engagement Letter or any Supplement thereto, which together with these Standard Terms of Representation constitute our legal contract with you. Our representation is limited to performance of the services described as the "Matter" in that Engagement Letter and any Supplement thereto and does not include representation of you or your interests in any other matter.

The only person or entity that we represent is the person or entity that is identified in our Engagement Letter as the "Client" and does not include any affiliates of such person or entity (*i.e.*, if you are a corporation or partnership, any parents, subsidiaries, employees, officers, directors, shareholders or partners of the corporation or partnership, or commonly owned corporations or partnership; or, if you are a trade association, any members of the trade association). Accordingly, for conflict-of-interest purposes, we may currently or at a later time agree to represent another client with interests adverse to any such affiliate without obtaining your consent.

Because we are not your general counsel, our acceptance of a Matter does not involve an undertaking to represent you or your interests in any other matter. In particular, the Firm's engagement on the Matter does not include responsibility for review of your insurance policies to determine the possibility of coverage for the claim asserted in the Matter, for notification of your insurance carriers about the Matter, or for advice to you about your disclosure obligations concerning the matter under the federal securities laws or any other applicable law. If you decide at any point that you wish to engage the Firm for other work, such engagement must be confirmed in a Supplement.

Either at the commencement or during our representation, we may express opinions or beliefs concerning the litigation or various courses of action and the results that might be

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<sup>1</sup> Capitalized Terms not defined in these Standard Terms of Representation shall have the meanings ascribed in the Engagement Letter and any Supplement thereto.

anticipated. Any such statement made by any lawyer of our Firm is intended to be an expression of our best professional judgment only, based on information available to us at the time, and should not be construed by you as a promise or guarantee.

### **Who Will Provide the Legal Services**

Customarily, each Client of the Firm is served by a principal lawyer contact. Subject to the supervisory role of the principal lawyer, your work or parts of it may be performed by other lawyers and legal assistants in the Firm. Such delegation may be for the purpose of involving lawyers or legal assistants with special expertise in a given area or for the purpose of providing services on the most cost efficient and timely basis.

### **Client Responsibilities**

You agree to be candid and cooperative with us and will keep us informed with complete and accurate factual information, documents and other communications relevant to the subject matter of our representations of otherwise reasonably requested by us. You agree to make Client's officers and employees available to attend trial, hearings, depositions and discovery conferences, and other proceedings, and to commit the appropriate personnel and sufficient resources to meet the Client's discovery obligations. In the event you perceive any actual or possible disagreement with the Firm or the Firm's handling of the Matter, you agree to promptly and candidly discuss the problem with the Firm. Because it is important that we be able to contact you at all times to consult with you regarding your representation, you will inform us, in writing, of any changes in the name, address, telephone number, contact person, e-mail address, state of incorporation or other relevant changes regarding you or your business. Whenever we need your instructions or authorization in order to proceed with legal work on your behalf, we will contact you at the latest business address we have received from you. If you affiliate with, acquire, are acquired by, or merge with another company, you will provide us with sufficient notice to permit us to withdraw as your lawyer if we determine that such affiliation, acquisition, or merger creates a conflict of interest between any of our clients and the other party to such affiliation, acquisition, or merger, or if we determine that it is not in the best interests of the Firm to represent the new entity.

The Firm agrees to keep you informed as to the status of the Matter and as to the course of action which is being followed or is being recommended by the Firm. The Firm encourages you to participate in all major decisions involving the Matter. Unless otherwise directed by you, the Firm will provide you with copies at your cost, of all significant documents sent or received by the Firm in connection with the Matter.

All of the Firm's work product will be owned by the Firm and may be utilized in whole or in part by the Firm in other projects, subject to issues related to our duty of confidentiality. We agree to make reasonably available to you for reading in our offices all written materials we send or receive pertaining to these matters so long as all of our billing statements have been timely paid.

### **Confidentiality of Communications**

All communications between the Firm and you — whether written, oral or electronic — are confidential, and you agree to take all reasonable precautions to ensure that the confidentiality

of these communications is preserved. This includes, at a minimum, ensuring that (i) written communications are not read by other persons, (ii) oral conversations are not overheard by other persons, (iii) electronic communications are not accessible by other persons, and (iv) the communications among you and any other clients the Firm is representing on the same Matter and the Firm are not disclosed by you to other persons.

### **Insurance Coverage/Indemnification Agreements**

You agree to advise the Firm as promptly as possible of any insurance policies or other agreements which may provide for insurance coverage, indemnification and/or payment of attorney's fees, costs and expenses, in whole or in part, with respect to the Matter.

### **How Fees Will Be Set**

The contingent fee set forth herein will govern compensation of the Firm in this matter. Notwithstanding the contingent nature of the fee, we record our time in units of tenths of an hour.

### **Costs and Expenses**

We will charge the Client not only for legal services rendered, but also for other ancillary services provided. The provisions above will govern the costs in this Matter.

We may use an electronic document management program for managing documents produced and received in the Matter. Conversion of those documents into the document management program will be billed as a cost for the Client. While our charges for these services are measured by use, they may not, in all instances, reflect our exact out-of-pocket costs. The precise cost of providing service is difficult to establish for many of these services. Such costs we charge at the rate representing reasonable charges in the community for such services. We would be pleased to discuss the specific schedule of charges for these additional services with you and to answer any questions that you may have. If you would prefer, in some situations we can arrange for these services to be provided by third parties with direct billing to you. Attached as **Exhibit "B"** is a list of typical cost items and their associated costs. For the avoidance of doubt, we will obtain your approval prior before incurring any material expense.

You authorize us to retain any other persons or entities in performing necessary services related to this Matter. Such other persons or entities may include, but are not limited to, Court reporters, escrow agents, appraisers, investigators, consultants, or experts necessary in our judgment to represent your interests in the representation. Their fees and expenses generally will not be paid by us, but will be billed directly to you. You agree to promptly pay the charges of every person or entity hired by the Firm to perform services related to the Matter.

### **Retainer and Trust Deposits**

Clients of the Firm may be required to deposit a retainer with the Firm. At the conclusion of our legal representation or at such time as the retainer deposit is unnecessary or is appropriately reduced, the remaining balance or an appropriate part of it will be returned to you. If the retainer



deposit proves insufficient to cover current expenses and fees at some point during the representation, it may have to be increased.

All trust deposits we receive from you, including retainers, will be placed in a trust account for your benefit. Normally, pursuant to court rule, your deposit will be placed in a pooled account, and the interest earned on the pooled account will be payable to a charitable foundation. Other trust deposits will also be placed in the pooled account unless you request a segregated account.

### **Conflicts**

The Firm represents many other entities and individuals. It is possible that some of the Firm's present or future clients will have disputes with you during this engagement. Therefore, as a condition to the Firm's undertaking this engagement, you agree that the Firm may continue to represent, or may undertake in the future to represent, existing or new clients in any matter that is not substantially related to the Matter, even if the interests of such clients in those other matters are directly adverse to you. The Client's prospective consent to conflicting representation contained in the preceding sentence shall not apply in any instance where, as the result of the Firm's representation of you, the Firm has obtained sensitive, proprietary, or other confidential information that, if known to any such other client of the Firm, could be used in any such other matter by such client to the material disadvantage of you. In other words, we agree not to accept, without prior approval from you, any engagement known to be in direct conflict with your interests in the Matter. If, in the course of representing multiple clients, we determine in our sole discretion that a conflict of interest exists, we will notify all affected clients of such conflict and may withdraw from representing any one or more of the multiple clients, possibly including you, to the extent such a withdrawal would be permitted or required by applicable ethical rules.

### **Termination and File Retention**

You may at any time terminate our services and representation upon written notice to us. Such termination shall not, however, relieve you of the obligation to pay for services rendered under this Agreement or our right to a contingency fee.

We reserve the right to withdraw from our representation (1) if you fail to honor the Engagement Letter, any Supplement thereto or these Standard Terms of Representation; (2) for any just reason as permitted or required under the Nevada Code of Professional Responsibility or by any appropriate court; (3) if you demand that we take action which we, in our discretion, determine would violate Rule 11 of the Federal Rules of Civil Procedure or any state or bankruptcy law derivative thereof; (4) if you fail to cooperate with us, make false statement or representations to us, or fail to pay us promptly as required by the terms hereof; or (5) as required or permitted by the applicable rules of professional conduct, all upon written notice to you. In the event that we terminate the engagement, we will take such steps as are reasonably practicable to protect your interests in the Matter, and you agree to take all steps necessary to free us of any obligation to perform further, including the execution of any documents necessary to perfect our withdrawal. We will be entitled to be paid for all services rendered and costs and expenses incurred on your behalf through the date of withdrawal. If permission for withdrawal is required by a court, we will promptly request such permission, and you agree not to oppose our request. In the event of



termination, you agree to pay us promptly for all services rendered plus all other charges or expenses incurred prior to such termination.

Unless previously terminated, our representation of you in the Matter will terminate upon our sending you our final statement for services rendered in the Matter.

The Client is responsible for maintaining its own copies of documents forwarded to it by the Firm. Following termination of our services, at your request, your papers and property will be returned to you upon receipt of payment of outstanding fees, costs and expenses. Otherwise, we agree to make a diligent effort, subject to casualties beyond our control, to retain and maintain all major and significant components of your papers and property relative to the Matter for a period of four (4) years following the conclusion of the matter. Our own files pertaining to the Matter will be retained by the Firm. These Firm files include, for example, firm administrative records, time and expense reports, personnel and staffing materials, and credit and accounting records; and internal lawyers' work product such as drafts, notes, internal memoranda, and legal and factual research, including investigative reports, prepared by or for the internal use of lawyers. All such documents retained by the Firm will be transferred to the person responsible for administering our records retention program. For various reasons, including the minimization of unnecessary storage expenses, we reserve the right to destroy or otherwise dispose of any such documents or other materials retained by us within a reasonable time after the termination of the engagement.

We shall be entitled to enforce our attorneys' retaining lien and attorneys' charging lien in accordance with Nevada law, so that, in the event you fail to pay the Firm as provided herein, the Firm may retain exclusive control of all your files as well as any property, monies, or original documents in the Firm's possession, until such fees, costs and expenses are paid in full. You hereby grant a power of attorney to counsel to execute any drafts or instruments payable to you, apply sums received to the Firm's outstanding billing statements, and remit any remaining funds to you.

After the conclusion of our representation, changes may occur in the applicable laws or regulations that could have an impact upon your future rights and liabilities. Unless you engage us after the conclusion of the Matter to provide additional advice on issues arising from the Matter, the Firm has no continuing obligation to advise you with respect to future legal developments.

### **Governing Law and Rules of Professional Conduct**

The Engagement Letter shall be interpreted and enforced in accordance with the laws of the State of Nevada, as amended from time to time. The Firm's services shall be governed by the Rules of Professional Conduct as adopted by the Nevada Supreme Court, as amended from time to time, without regard to where the services are actually performed. Any lawsuit, action or proceeding arising out of or relating to this agreement shall only be instituted in a federal or state court located in Nevada.

### **Disputes**

JURY WAIVER. THE CLIENT AND THE FIRM VOLUNTARILY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN

RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THE MATTER, THIS AGREEMENT, OR ANY OTHER AGREEMENT OR DOCUMENT EXECUTED OR DELIVERED OR CREATED IN CONNECTION HERewith OR THEREWITH OR ANY ACT OR TRANSACTION RELATED HERETO.

### **Effort and Outcome**

The Firm will competently and diligently represent you in this Matter. You acknowledge that the Firm has given no assurances regarding the outcome of the Matter. You acknowledge that, in the event of a loss, you may be liable for the opposing party's attorney's fees and will be liable for the opposing party's costs as required by law. You further acknowledge that a suit brought solely to harass or coerce a settlement may result in liability for malicious prosecution or abuse of process.

### **Commencement of Representation**

If representation of the Client by the Firm in the Matter has commenced prior to the Firm receiving a copy of the Engagement Letter and any Supplement thereto signed by the Client and any required retainer, all such services rendered by the Firm are agreed to have been requested and provided pursuant to the terms of the Engagement Letter and any Supplement thereto.

### **Privacy Policy of BRG**

Lawyers, as providers of certain personal services, may be required by the Gramm-Leach-Bliley Act (the "Act") to inform their clients of their policies regarding privacy of your information. We understand your concerns as to privacy and the need to ensure the privacy of all your information. Your privacy is important to us, and maintaining your trust and confidence is a high priority. Lawyers have been and continue to be bound by professional standards of confidentiality that are even more stringent than those required by the Act. Therefore, we have always protected your right to privacy. The purpose of this notice is to explain our Privacy Policy with regard to personal information about you that we obtain and how we keep that information secure.

Nonpublic Personal Information. We collect nonpublic personal information about you that is provided to us by you or obtained by us with your authorization or consent.

We do not disclose any personal information about our clients or former clients to anyone, except as permitted by law and any applicable state ethics rules.

We do not disclose any nonpublic personal information about current or former clients obtained in the course of representation of those clients, except as expressly authorized by those clients to enable us to effectuate the purpose of our engagement or as required or permitted by law or applicable provisions of codes of professional responsibility or ethical rules governing our conduct as lawyers.

Confidentiality and Security. We retain records relating to professional services that we provide so that we are better able to assist you with your professional needs and to comply with professional guidelines or requirements of law. In order to guard your nonpublic personal information, we maintain physical, electronic, and procedural safeguards that comply with our professional standards.

### **Integration**

The Engagement Letter, any Supplement thereto and these Standard Terms of Representation contain the entire agreement between the Client and the Firm regarding the Matter and the fees, costs and expenses relative to the Matter. The Engagement Letter and any Supplement thereto shall be binding upon the Client and the Firm and their respective heirs, executors, legal representatives and successors. These Standard Terms of Representation may be revised periodically. Any revision shall be delivered to the Client and be effective thirty (30) days after such delivery unless we have received an objection to the revision from the Client within such thirty (30) day-period.

### **Authorization to Retain the Firm**

Subject to Bankruptcy Court approval, the person signing the Engagement Letter on behalf of the Client acknowledges that he has the requisite power and authority to execute and deliver the Engagement Letter on behalf of the Client, and that the Client has duly authorized and approved all necessary action and consent to be taken by him with respect to the Matter.

**Exhibit B**  
**Chargeable Costs**

1. Local Courier Messenger Services	\$10.00
2. Indexing (per tab)	.50
3. Photocopying (per page)	.25
4. Telephone Charge (long distance)	actual charge
5. Equifax	actual charge
6. Federal Express	actual charge
7. UPS Delivery	actual charge
8. Computerized Research	actual charge
9. Scanning (per page)	.25
10. Electronic Filing and Retrieval Fees	actual charge